

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In re:**

**Import Specialties Incorporated**

**BK 19-42563**

**Debtor**

**Chapter 11**

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**OBJECTION OF THE UNITED STATES TRUSTEE  
TO THE MOTION FOR AN ORDER GRANTING  
EXPEDITED RELIEF AND AUTHORIZING MAINTENANCE  
OF EXISTING BANK ACCOUNTS AND APPROVAL FOR PAYMENT TO  
PRE-PETITION REFUNDS TO CUSTOMERS**

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COMES NOW the United States Trustee through the undersigned attorney and objects to the motion for entry of order authorizing maintenance of existing bank accounts and approval for payment to pre-petition refunds to customers. In support of the objection, the United States Trustee states the following:

1. A hearing has been scheduled in this matter on Wednesday, August 28, 2019 at 1:00 p.m. before the U.S. Bankruptcy Court, Courtroom 8 West, 300 South Fourth Street, Minneapolis, Minnesota.

2. The debtor's proposed bank accounts are at Charter Bank. At this time, Charter Bank is not an approved debtor-in-possession depository. The significance is that authorized depositories agree to meeting the collateral requirements set by 11 U.S.C. § 345. The debtor cannot keep existing accounts if the bank is not willing to meet the requirements of Section 345.

WHEREFORE, the United States Trustee requests that the Court deny the motion to authorize the maintenance of the existing bank accounts.

Dated: August 27, 2019

JAMES L. SNYDER  
Acting United States Trustee  
Region 12

/s/ Sarah J. Wencil  
Sarah J. Wencil  
Trial Attorney  
Office of U.S. Trustee  
Iowa Atty. No. 14014  
1015 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415  
TELE: (612) 334-1350

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Certificate of Service

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The undersigned states that she electronically filed this objection on March 12, 2019, which caused the following parties to be served by CM/ECF:

- **Daniel C. Beck** dbeck@winthrop.com, tcooke@winthrop.com
- **John D. Lamey** bankrupt@lameylaw.com, speterson@lameylaw.com; ewise@lameylaw.com
- **Ian M. Rubenstrunk** irubenstrunk@winthrop.com, tcooke@winthrop.com
- **US Trustee** ustpregion12.mn.ecf@usdoj.gov
- **Sarah J Wencil** Sarah.J.Wencil@usdoj.gov
- **Samuel C Wisotzkey** swisotzkey@kmksc.com

Date: August 27, 2019

/s/ Sarah J. Wencil  
Sarah J. Wencil

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**ORDER**

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At Minneapolis, Minnesota.

This matter came before the court on the Debtor's motion for an order granting expedited relief and authorizing maintenance of existing bank accounts and allowing customer refunds. Appearances are noted on the record. Based on the arguments of counsel and the documents of record, and the court being fully advised with respect to the other relevant facts and information.

**IT IS ORDERED:**

1. The Debtor's request for expedited relief is granted.
2. The Debtor is not authorized to maintain its accounts at Charter Bank unless Charter Bank becomes an authorized depository in compliance of 11 U.S.C. § 345.
3. The Debtor is authorized to process returns arising from pre-petition sales, and to refund customer monies in the usual and ordinary course.

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Kathleen H. Sanberg  
United States Bankruptcy Judge